

REMARKS

The present case is a continuation-in-part patent application of Serial No. 09/567,789, now U.S. Patent No. 6,736,313, which relates to encryption of input verification indicia, such as a PIN, entered by a customer via an indicia entry device. The input verification indicia is used to verify that the customer has authority to use account information presented to pay for a transaction. The input verification indicia has been pre-selected to correspond to the account information for this verification.

The Patent Office rejected claims 1-6 and 9-10 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,797,470 to Bohnert (hereinafter "Bohnert") in view of U.S. Patent No. 4,186,871 to Anderson et al. (hereinafter "Anderson"). Applicant previously overcame the rejections based on Bohnert and Kaehler, since the references only disclose encryption of input verification indicia, namely a PIN, and not of account information like that claimed in the present invention. (See Response to Office Action mailed September 13, 2005). The Patent Office now adds Anderson as a new reference.

Applicant respectfully traverses this rejection, because Anderson still does not disclose encryption of the account information or account number. Thus, the Patent Office still has not established *prima facie* obviousness, since all the elements and/or limitations of the claims are not taught or suggested by the prior art references cited. MPEP § 2143.03. Applicant has amended the independent claims to specifically require encryption of the customer's "account number" that is received by a card reader to eliminate any ambiguity in the interpretation of the claimed invention. The account number was equated with account information in Applicant's responses (See Response to Office Action mailed September 13, 2005) and in the claimed invention and in the specification, and thus this amendment does not raise any new issues in this case.

Anderson does disclose a terminal that is adapted to receive a card account and PIN information and perform verification that the PIN matches the card account for authorizing a transaction. However, Anderson does not encrypt the account number. Anderson clarifies this point as its specification unfolds. The Patent Office references column 4, lines 42 through 50 of Anderson as disclosing that the account number is encrypted. Actually, in Anderson, the account number is not encrypted, but rather the PIN. The PIN is stored in an encrypted format on the card, but not the account number. The PIN is stored on the card so that the terminal can validate

its use. However, the PIN is encrypted on the card so that unauthorized users cannot scan the information stored on the card to determine the PIN in the clear and use the card account in an unauthorized manner. This is known, because Anderson only decrypts the PIN and not the account number. The information stored on the card is simply used to derive (i.e. decrypt) the PIN stored on the card, so that the logic can compare the PIN stored on the account card with the PIN entered by the user (Anderson, col. 4, ll. 51-55).

The terminal in Anderson reads the information from the card to first determine which institution issued the card (Anderson, col. 9, ll. 18-24). This is because multiple institutions deploy cards that can be read by the terminal, and each institution uses its own PIN keys that are used to derive (i.e. decrypt) the PIN stored on the card. (Anderson, col. 9, ll. 32-34). Once the card information is used to correctly identify the issuing institution, the logic finds the correct PIN key in the FIT table. (Anderson, col. 9, ll. 18-24). Thereafter, the logic uses the PIN key to decrypt the PIN stored on the card so it can be compared against the PIN entered by the user on the keyboard. (Anderson, col. 10, ll. 29-47). Thus, Anderson does not remedy the deficiency in Bohnert, and this rejection must be withdrawn.


The Patent Office also rejected claims 7-8 and 11-29 based on Anderson in combination with other references. Because of the deficiency in Anderson, these other rejections also fail to establish *prima facie* obviousness and thus must also be withdrawn. MPEP § 2143.03. Thus, it is unnecessary for Applicant to address these other claims due to the deficiency in Anderson. Applicant reserves the right to do so in the future if needed.

Applicant also notes that the Patent Office did not address claims 30-35 in the Final Office Action.

Respectfully submitted,

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